

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1265

Introduced by Assembly Member Nielsen

February 18, 2011

An act to ~~add Section 51244.4 to amend, repeal, and add Sections 16142, 16142.1, and 51244 of, and to add and repeal Section 51244.3 of, the Government Code, relating to local government.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1265, as amended, Nielsen. Local government: Williamson Act.

Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts.

This bill would, beginning January 1, 2012, and until January 1, 2015, authorize a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than ¹/₂ of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts and require the assessor to value the property, as specified, based on the revised contract term. The bill would provide that a landowner may choose to nonrenew and begin the cancellation process. The bill would also provide that any increased revenues generated by properties under a new contract shall be paid to the county.

~~Existing law, the Williamson Act, authorizes a city or county to enter into 10-year contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Beginning January 1, 2011, and until January 1, 2015, existing law authorizes a county, in any fiscal year in which payments authorized for reimbursement to a county for lost revenue are less than $\frac{1}{2}$ of the participating county's actual foregone general fund property tax revenue, to revise the term for newly renewed and new contracts for a term of 9 years or 18 years, as the case may be, and require the assessor to value the property, as specified, based on the revised contract term. Existing law requires a city or county that has elected to adopt a shorter contract term, to provide notice, of among other things, the landowner's right to prevent the reduction in the term of his or her contract by serving notice of nonrenewal, as specified.~~

~~This bill would specify that payments under the contracts that are authorized until January 1, 2015, may be collected after January 1, 2015.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 16142 of the Government Code is
- 2 amended to read:
- 3 16142. (a) The Secretary of the Natural Resources Agency
- 4 shall direct the Controller to pay annually out of the funds
- 5 appropriated by Section 16140, to each eligible county, city, or
- 6 city and county, the following amounts for each acre of land within
- 7 its regulatory jurisdiction that is assessed pursuant to Section 423,
- 8 423.3, 423.4, or 423.5, or 426 if it was previously assessed under
- 9 Section 423.4, of the Revenue and Taxation Code:
- 10 (1) Five dollars (\$5) for prime agricultural land, as defined in
- 11 Section 51201.
- 12 (2) One dollar (\$1) for all land, other than prime agricultural
- 13 land, which is devoted to open-space uses of statewide significance,
- 14 as defined in Section 16143.
- 15 (b) The amount per acre in paragraph (1) of subdivision (a) may
- 16 be increased by the Secretary of the Natural Resources Agency to
- 17 a figure which would offset any savings due to a more restrictive

determination by the secretary as to what land is devoted to open-space use of statewide significance.

(c) The amount per acre in subdivision (a) shall only be paid for 10 years from the date that the land was first assessed pursuant to Section 426 of the Revenue and Taxation Code, if it was previously assessed under Section 423.4 of that code.

(d) Notwithstanding any other provision of law, for the 2008–09 fiscal year and each fiscal year thereafter, the Controller shall reduce, by 10 percent, any payment made pursuant to this section.

(e) *Effective January 1, 2012, if the payment pursuant to this section for the previous fiscal year is less than one-half of the participating county's actual foregone general fund property tax revenue, the county may make a determination to implement subdivision (b) of Section 51244 and Section 51244.3. The implementation of these sections shall be suspended for any subsequent fiscal year in which the payment for the previous fiscal year exceeds one-half of the foregone general fund property tax revenue.*

For purposes of this subdivision, a county's actual foregone property tax revenue shall be based on the county's respective share of the general property tax dollars as reflected in the most recent annual report issued by the State Board of Equalization or 20 percent, whichever is higher.

(f) *This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.*

SEC. 2. Section 16142 is added to the Government Code, to read:

16142. (a) The Secretary of the Natural Resources Agency shall direct the Controller to pay annually out of the funds appropriated by Section 16140, to each eligible county, city, or city and county, the following amounts for each acre of land within its regulatory jurisdiction that is assessed pursuant to Section 423, 423.3, 423.4, or 423.5, or 426 if it was previously assessed under Section 423.4, of the Revenue and Taxation Code:

(1) Five dollars (\$5) for prime agricultural land, as defined in Section 51201.

(2) One dollar (\$1) for all land, other than prime agricultural land, which is devoted to open-space uses of statewide significance, as defined in Section 16143.

1 **(b)** *The amount per acre in paragraph (1) of subdivision (a)*
2 *may be increased by the Secretary of the Natural Resources Agency*
3 *to a figure which would offset any savings due to a more restrictive*
4 *determination by the secretary as to what land is devoted to*
5 *open-space use of statewide significance.*

6 **(c)** *The amount per acre in subdivision (a) shall only be paid*
7 *for 10 years from the date that the land was first assessed pursuant*
8 *to Section 426 of the Revenue and Taxation Code, if it was*
9 *previously assessed under Section 423.4 of that code.*

10 **(d)** *Notwithstanding any other law, for the 2008–09 fiscal year*
11 *and each fiscal year thereafter, the Controller shall reduce, by 10*
12 *percent, any payment made pursuant to this section.*

13 **(e)** *This section shall become operative on January 1, 2015.*

14 **SEC. 3.** *Section 16142.1 of the Government Code is amended*
15 *to read:*

16 16142.1. **(a)** *In lieu of the payments made pursuant to Section*
17 *16142, in a county that has adopted farmland security zones*
18 *pursuant to Section 51296, the Secretary of the Natural Resources*
19 *Agency shall direct the Controller to pay annually out of the funds*
20 *appropriated by Section 16140, to each eligible county, city, or*
21 *city and county, the following amount for each acre of land within*
22 *its regulatory jurisdiction that is assessed pursuant to Section 423.4*
23 *or 426 of the Revenue and Taxation Code, if it was previously*
24 *assessed under Section 423.4 of that code:*

25 *Eight dollars (\$8) for land that is within, or within three miles*
26 *of the boundaries of the sphere of influence of, each incorporated*
27 *city.*

28 **(b)** *The amount per acre in subdivision (a) shall only be paid*
29 *for 10 years from the date that the land was first assessed pursuant*
30 *to Section 426 of the Revenue and Taxation Code, if it was*
31 *previously assessed under Section 423.4 of that code. The*
32 *appropriation authorized by this subdivision shall not exceed one*
33 *hundred thousand dollars (\$100,000) per year until 2005.*

34 **(c)** *Notwithstanding any other provision of law, for the 2008–09*
35 *fiscal year and each fiscal year thereafter, the Controller shall*
36 *reduce, by 10 percent, any payments made pursuant to this section.*

37 **(d)** *Effective January 1, 2012, if the payment pursuant to this*
38 *section for the previous fiscal year is less than one-half of the*
39 *participating county's actual foregone general fund property tax*
40 *revenue, the county may make a determination to implement*

1 subdivision (b) of Section 51244 and Section 51244.3. The
2 implementation of these sections shall be suspended for any
3 subsequent fiscal year in which the payment for the previous fiscal
4 year exceeds one-half of the foregone general fund property tax
5 revenue.

6 For purposes of this subdivision, a county's actual foregone
7 property tax revenue shall be based on the county's respective
8 share of the general property tax dollars as reflected in the most
9 recent annual report issued by the State Board of Equalization or
10 20 percent, whichever is higher.

11 (e) This section shall remain in effect only until January 1, 2015,
12 and as of that date is repealed, unless a later enacted statute, that
13 is enacted before January 1, 2015, deletes or extends that date.

14 SEC. 4. Section 16142.1 is added to the Government Code, to
15 read:

16 16142.1. (a) In lieu of the payments made pursuant to Section
17 16142, in a county that has adopted farmland security zones
18 pursuant to Section 51296, the Secretary of the Natural Resources
19 Agency shall direct the Controller to pay annually out of the funds
20 appropriated by Section 16140, to each eligible county, city, or
21 city and county, the following amount for each acre of land within
22 its regulatory jurisdiction that is assessed pursuant to Section
23 423.4 or 426 of the Revenue and Taxation Code, if it was previously
24 assessed under Section 423.4 of that code:

25 Eight dollars (\$8) for land that is within, or within three miles
26 of the boundaries of the sphere of influence of, each incorporated
27 city.

28 (b) The amount per acre in subdivision (a) shall only be paid
29 for 10 years from the date that the land was first assessed pursuant
30 to Section 426 of the Revenue and Taxation Code, if it was
31 previously assessed under Section 423.4 of that code. The
32 appropriation authorized by this subdivision shall not exceed one
33 hundred thousand dollars (\$100,000) per year until 2005.

34 (c) Notwithstanding any other of law, for the 2008–09 fiscal
35 year and each fiscal year thereafter, the Controller shall reduce,
36 by 10 percent, any payments made pursuant to this section.

37 (d) This section shall become operative on January 1, 2015.

38 SEC. 5. Section 51244 of the Government Code is amended to
39 read:

1 51244. (a) Each contract shall be for an initial term of no less
2 than 10 years. Each contract shall provide that on the anniversary
3 date of the contract or such other annual date as specified by the
4 contract a year shall be added automatically to the initial term
5 unless notice of nonrenewal is given as provided in Section 51245.

6 (b) (1) *If the county makes a determination pursuant to*
7 *subdivision (e) of Section 16142 or subdivision (d) of Section*
8 *16142.1, contracts shall be for a term of no less than nine years*
9 *for contracts currently 10 years in length or 18 years for contracts*
10 *currently 20 years in length, as the case may be. For new contracts*
11 *entered into during a year in which this subdivision is in effect,*
12 *the initial contract length shall be either 9 or 18 years. Each*
13 *contract shall provide, except in the initial year of the*
14 *determination, that on the anniversary date of the contract or such*
15 *other annual date as specified by the contract, a year shall be*
16 *added automatically to the initial term unless notice of nonrenewal*
17 *is given as provided in Section 51245.*

18 *In any subsequent year during the reduced term of contract in*
19 *which increased revenue is not realized by the county pursuant to*
20 *Section 51244.3, two or three additional years shall be added to*
21 *the contract on the next anniversary date, as necessary, to restore*
22 *the contract to its full 10-year or 20-year contract length.*

23 (2) *In any year in which this subdivision is implemented, the*
24 *county shall record a notice that states the affected parcel number*
25 *or numbers and current owner's names, or, alternatively, the same*
26 *information for those parcels that are not affected.*

27 (3) *An addition to the assessed value shall be conveyed to the*
28 *auditor, consistent with the 10-percent reduction in the length of*
29 *the restriction, equal to 10 percent of the difference between the*
30 *valuation pursuant to Section 423, 423.3, or 423.5 of the Revenue*
31 *and Taxation Code, as applicable, and the valuation under*
32 *subdivision (b) of Section 51 or Section 110.1 of the Revenue and*
33 *Taxation Code whichever is lower. If the valuation under*
34 *subdivision (b) of Section 51 or Section 110.1 of the Revenue and*
35 *Taxation Code is lower, the addition to the assessed value shall*
36 *be zero. The increased amount of tax revenue that results from the*
37 *decrease in restriction shall be separately displayed on the*
38 *taxpayer's annual bill.*

39 (4) *A landowner may elect to serve notice of nonrenewal instead*
40 *of accepting a 9-year or 18-year contract, as the case may be. In*

1 *that case, the additional assessed value shall not be added to the*
2 *property as provided for in paragraph (3).*

3 *For purposes of this subdivision, a landowner may serve notice*
4 *of nonrenewal at any time. However, a landowner who withdraws*
5 *that notice prior to the effective date shall be subject to term*
6 *modification and additional assessed value. Once served and*
7 *effective, a landowner nonrenewal notice may not be withdrawn*
8 *except for cause and with the consent of the county. A county may*
9 *adopt amendments to its uniform rules to facilitate implementation*
10 *of this subdivision during the 2011–12 fiscal year, and thereafter*
11 *as necessary.*

12 *(5) In addition to any other notice requirements, a county shall*
13 *provide a landowner under contract with timely written notice of*
14 *all of the following:*

15 *(A) Any initial hearing by the county on a proposal to adopt or*
16 *rescind the implementation of this subdivision.*

17 *(B) Any final decision regarding the adoption or rescission of*
18 *implementation of this subdivision.*

19 *(C) The landowner's right to prevent the reduction in the term*
20 *of his or her contract pursuant to this subdivision by serving notice*
21 *of nonrenewal as specified by Section 51245. This nonrenewal*
22 *notice may be combined with the nonrenewal notice in*
23 *subparagraph (B).*

24 *(6) A county shall not modify or revalue a landowner's contract*
25 *pursuant to this subdivision unless the landowner is given at least*
26 *90 days' notice of the opportunity to prevent the modification and*
27 *revaluation by serving notice of nonrenewal and the landowner*
28 *fails to serve notice of nonrenewal. The county may use the primary*
29 *owner of record from the assessment roll to identify landowners*
30 *entitled to receive notice under this subdivision. A landowner shall*
31 *be advised of the landowner's right to avoid continued imposition*
32 *of this subdivision in any future year and thereafter by serving a*
33 *notice of nonrenewal for that contract year. Failure of the*
34 *landowner to serve timely notice of nonrenewal in any year shall*
35 *be considered implied consent to the implementation of this*
36 *subdivision for that year.*

37 *Until February 1, 2012, the 90-day notice requirement may be*
38 *reduced to 60 days if the county adopts a procedure to allow*
39 *landowners to serve a notice of nonrenewal.*

40 *(7) This subdivision shall not apply to any of the following:*

1 (A) *Contracts that have been nonrenewed.*

2 (B) *Contracts with cities.*

3 (C) *Open-space or agricultural easements.*

4 (D) *Scenic restrictions.*

5 (E) *Wildlife habitat contracts.*

6 (F) *Atypical term contracts, including, but not limited to, 20-year*
7 *initial term contracts declining to 10 years, or reencumbrances*
8 *pursuant to Section 51295, if the county's board of supervisors*
9 *determines the application of this subdivision to them would be*
10 *inequitable or administratively infeasible.*

11 (c) *This section shall remain in effect only until January 1, 2015,*
12 *and as of that date is repealed, unless a later enacted statute, that*
13 *is enacted before January 1, 2015, deletes or extends that date.*

14 SEC. 6. *Section 51244 is added to the Government Code, to*
15 *read:*

16 51244. (a) *Each contract shall be for an initial term of no less*
17 *than 10 years. Each contract shall provide that on the anniversary*
18 *date of the contract or such other annual date as specified by the*
19 *contract a year shall be added automatically to the initial term*
20 *unless notice of nonrenewal is given as provided in Section 51245.*

21 (b) *This section shall become operative on January 1, 2015.*

22 SEC. 7. *Section 51244.3 is added to the Government Code, to*
23 *read:*

24 51244.3. (a) *This section shall apply to properties under a*
25 *9-year or 18-year contract, as the case may be, pursuant to*
26 *subdivision (b) of Section 51244. Notwithstanding any other*
27 *provision to the contrary, increased revenues generated by those*
28 *properties shall be allocated exclusively to the respective counties*
29 *in which those properties are located.*

30 (b) *This section shall only apply if the county makes a*
31 *determination pursuant to either Section 16142 or Section 16142.1.*

32 (c) *This section shall remain in effect only until January 1, 2015,*
33 *and as of that date is repealed, unless a later enacted statute, that*
34 *is enacted before January 1, 2015, deletes or extends that date.*

35 SECTION 1. ~~Section 51244.4 is added to the Government~~
36 ~~Code, to read:~~

37 ~~51244.4. Notwithstanding subdivision (c) of Section 51244.3,~~
38 ~~payments authorized until January 1, 2015, pursuant to Sections~~

1 ~~16142, 16142.1, 51244, or 51244.3, may be collected after January~~
2 ~~1, 2015.~~

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